**094 LOM - Clubhouse**

[00:00:00] Thanks for pressing play. This is Christopher Lochhead. Now many people have reached out to me and asked for more episodes where we do what you might think of as category design breakdowns, where we dig into a specific category and or brands, and we sort of analyze what's going on here and how that can be illustrative for the rest of us.

In addition to that, A bunch of folks lately have been asking me about this, a buzzy application in the media world, social media world called clubhouse. So on this episode, let's examine the question is clubhouse a legendary category queen in the making or a dumb idea. Now, before we get started, I want to make it clear.

I'm not either picking on or promoting clubhouse. I have no association with them and I certainly have nothing against them whatsoever. As a matter of fact, As with all entrepreneurs, uh, I sincerely wish the clubhouse founders, Paul Davidson and Rowe Han Seth legendary success. The only reason I'm doing a category breakdown on them is [00:01:00] because people have asked me to they've raised top tier VC in, by all reports.

Uh, they're doing well and they're valued at a hundred million dollars or more. So they seem like a good example of, um, the key points here that I think are important to elucidate. All right. We are brought to you by my friends at Splunk, the leaders in data to everything, helping you bring data to every question, every decision and every action visit S P L U N k.com/d.

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Because we have a new category design newsletter coming out very soon called category pirates. And if you give a shit about category design, you might want to check it out lockhead.com and make sure you [00:02:00] subscribe. Now, as Joey Ramone said, Hey, ho let's go. This is Lochhead on marketing. The podcast that helps you develop the lens for what makes legendary marketing legendary hosted by Christopher Lochhead, three times CMO godfather category design, and a high school dropout with a marketing journal calls.

One of the best minds in marketing and the economist calls off-putting to some.

Okay. So one way to look at clubhouse is how they describe themselves. And I would argue that this is there. When, when people describe themselves the way I'm about to read it to you, it's their category design. So they say that clubhouse is a new type of social product based on voice that allows people everywhere to talk.

Tell stories, develop ideas, deepen [00:03:00] friendships, and meet interesting new people around the world. And quote, very interesting. I would argue that's a very good beginning to a category design. Now that's one perspective. Now let me tell you what I've experienced. What I've experienced is it's kind of like a webinar scheduling platform with no video that has a shitty UX.

So that's my personal experience, tomato, tomato, right. But why am I sharing this with you? I'm sharing with this, with you to underscore the power of category design clubhouse is doing a legendary job, convincing the world that they are the new, new thing, the new hot category. And for that I'm stoked for them, but I'll have, you know, when I first opened the app, I found it completely un-intuitive I thought the UX was terrible.

I didn't know what to do with the thing. And, um, it was kind of fucking not [00:04:00] interesting in and a little bit frustrating. So I shut it down and went on with my life. And it wasn't until this past weekend where the legendary Jamie, Jay, who's been my partner in creating these podcasts for years now invited me to do what's called a clubhouse room.

He moderated it and then I could experience it. And so, um, I thought it was cool if you haven't tried it. I would describe it as kind of an audio chat room or maybe another way to think about it is it's a way to schedule and conduct webinars that don't have any video. That's kind of the functionality of the thing.

Now, the legendary fake heavy metal band spinal tap famously said, there's a fine line between clever and stupid. And here's where clubhouse has done a legendary job. What they didn't tell their early users and investors is. Yeah. We're kind of like zoom for scheduled webinars, uh, with no video and little social networking thrown in that's.

Now what they did, [00:05:00] what they did say is we're a new kind of audio social network, and they got people frothed up about that. As a matter of fact, they convinced one of the top VCs, Andreessen Horowitz to invest as a result of that. And I'm sure many other things, they got a bunch of fairly well-known people, some celebrities to jump on the quote unquote.

Platform, uh, the New York times in an article about clubhouse says, in addition to hosting discussions between venture capitalists, the app offers a variety of celebrity talk shows, DJ nights, networking events, speed dating, theatrical performances and political discussions. All very cool, but really it's a webinar scheduling platform with no audio.

Excuse me. With no video. That's really what it is. Now, if you haven't heard episode 87 of locket on marketing titled marketing is what you do when you have a shitty product. Go back and listen to that. In summary, it's a story of a legendary violin player named Josh bell who goes and [00:06:00] plays in the subway.

Uh, the Metro station in Washington, DC, and sees what happens. And, uh, it turns out. Nobody gives a shit. And it's proof that products don't speak for themselves. As a matter of fact, I would argue the category design makes the product, and there are a lot of people that would tell you right now that the viral growth of clubhouse is because they built a.

Great product. Well, I would disagree. The growth of clubhouse right now is they've done a great job of category design, convincing the world that they are a new platform for audio content, as opposed to a webinar scheduling product with no video. So in it. So that's legendary category design and I congratulate them on that.

They also did one other smart thing. I want underscore what you might call studio 54 marketing. If you remember the famed club in Manhattan, the whole [00:07:00] way it got to be successful, at least in part was one of the co-founders would stand in front of the, the place. It had no sign on it. They would put up a velvet rope and he would stand there and not let people in.

And then as the group, uh, as, as a crowd developed, he would say, well, you can come in, not you, you can come in, not you, you can come in, not you well over time, this created scarcity and made studio 54 field really cool. And they did some of the same things the clubhouse is doing right now. They got some celebrities and some, you know, a high profile, sexy people, and they made sure that people sort of, that was.

Chit-chat that those sexy people were in the studio and then they limited access. They created scarcity and that's exactly. So what clubhouse has done in addition to their category design, they're doing studio 54 marketing they're creating scarcity is a matter of fact, when you get on, the only way you can get onto clubhouse is an existing clubhouse user needs to invite you.

And when you [00:08:00] become a user, they tell you, Hey. The only, and I forget how many it is. So, but you know, you can invite five friends. In other words, you can't invite all your friends. You can, I only invite five. So you gotta be real thoughtful about who are the five fans. I want to show this cool app too.

Right? And they, they sort of trick you into spreading the fear of missing out AKA FOMO, AKA studio, 54 marketing to make it seem like this is some exclusive club and that makes it even cooler. And people lose their minds and they want to get in. And if they can't, they're not one of the cool kids. So they've used studio 54 marketing in concert with a thoughtful category design to create FOMO and excitement and buzz.

So what is their early success prove it's not about the product. Some people might like the product. I think the product is functionally fine. It's the UX is just not intuitive, but regardless clubhouses product is not, what's making them successful. What's making them [00:09:00] successful is the perception they have created.

About the product. All right. We would like to thank my good friends at . A T R e.net building legendary B2B websites and Silicon Valley for over 20 years. My friend, Rick Bennett, check them out. R I C K B E N N E T t.com. He is the O G of marketing assassins in Silicon Valley. He did the early marketing and advertising for Oracle.

For Salesforce and many others. We have an episode with him coming up soon, check out his web website, Rick bennett.com. Also thinking of other things that are coming up. Cool. Have you ever asked the question? Are we alone? If you have, you will lose your mind when you hear the upcoming episode two Oh two of fall.

You're different. But with professor Avi, Loeb from Harvard, he is the first serious astronomer to come out and say, we've been visited by aliens. He's got a brand new book out called extra terrestrial. And this [00:10:00] episode, his book might just change your life. My friends at podcast magazine are the leading magazine for people who love podcasts, and they will take you beyond the mic.

Go to podcasts, magazine.com/free. To get your lifetime subscription. And they were kind enough to do a profile of me in the February 20, 21 episode. Um, all right. I need to remind you that this podcast is the sole property of the Lochhead podcast network. Clearly it goes better with libations. Please do not forget to tip your wait staff.

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Sharman mystic, Dr. Trainer sensei, spouse or bartender. Before acting on today's episode. Remember to listen to Tom waits, read Cole Shaffer's honey, copy.com. Check it out. We are produced and edited by the goat. Jason, DeFillipo the greatest of all time. Check out his podcast, [00:11:00] grumpy old geeks, Sarah knocks, and the after mentioned Jimmy Jay do legendary technical execution and build lockhead.com.

Show notes by the wonderful Diane Gervasio. The legendary candy dandy keeps all the trains running on time and stay legendary on the tour together. Again, let me leave you with a quote from one of the OGs Al Reese, who said marketing is a battle of perceptions, not products.